

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7193**

**BILL NUMBER:** SB 457

**NOTE PREPARED:** Jan 16, 2013

**BILL AMENDED:**

**SUBJECT:** Farming Practices and Inspections.

**FIRST AUTHOR:** Sen. Banks

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows poultry farms to slaughter and process less than 3,000 birds each year without inspection. It allows rabbits to be slaughtered and processed without inspection under certain conditions. It removes the prohibition on potentially hazardous food products sold by individual vendors.

The bill provides that the Board of Animal Health may not require premises registration as part of any animal identification program. It also voids a provision in the administrative code that requires premises registration as part of an animal identification program.

The bill provides that a farmer or bona fide egg producer: (1) is not required to have a farmers market retail permit to sell eggs at a farmer's market; and (2) may sell eggs to a restaurant or grocery store if the eggs meet consumer Grade B standards.

The bill voids a provision in the administrative code that defines a "wild hog" as having skeletal characteristics indicative of a hog of wild or Eurasian origin.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *State Department of Health (ISDH):* The bill requires the ISDH to adopt rules that allow less than 3,000 uninspected poultry products per year to be offered for sale at farmer's markets and roadside stands. (Current statute provides that the ISDH adopt rules that incorporate 9 CFR 381.10(c), which limits the sale of these poultry products to 1,000 per year).

The bill also requires the ISDH to allow rabbits to be slaughtered and processed without inspection for limited sales on farms, farmer's markets, and roadside stands. The ISDH should be able to accomplish this activity within the current level of resources available.

*Board of Animal Health:* Premises registration assists the Board of Animal Health with carrying out agency programs because it provides the board with knowledge of where livestock farms are located. In addition, this information is useful when dealing with issues such as animal diseases, and flooding and other natural disasters. Administration of agency programs may become more difficult if premises registration is no longer allowed.

*State Egg Board:* This bill provides that farmers or bona fide egg producers are not required to have farmer's market retail permits to sell eggs at farmer's markets. There may be a minimal decrease in administrative costs as a result of this bill, but it is not expected to have a significant impact.

**Explanation of State Revenues:** *Farmer's Market Retail Permits for Eggs:* This bill provides that farmers or bona fide egg producers are not required to have farmer's market retail permits to sell eggs at farmer's markets, which could reduce permit revenue for the State Egg Board. The farmer's market retailer permit is \$20 per year for the sale of less than 5 cases of eggs per week. There are currently 325 registrants, which will result in permit revenue of \$6,500 for FY 2013.

There is also a combination permit for farmer's market retailers and wholesalers. If the registrants who have the combination permit register as a wholesaler, there should not be any loss in fees. This permit is \$50 annually. There are currently 60 registrants, which will result in permit revenue of \$3,000 for FY 2013.

The fees for wholesaler permits depend upon cases sold per week during the year.

Cases Per Week	Wholesaler Permit Fee
Less than 5	\$50
5 to 250	\$90
251 to 500	\$120
501 to 1,000	\$150
More than 1,000	\$200

**Explanation of Local Expenditures:** *Local Health Departments:* Local health department food safety inspections may increase if consumer complaints increase as a result of the sale of rabbits and potentially hazardous food products at farmer's markets and roadside stands. Any fiscal impact would depend upon local circumstances.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana State Department of Health; Board of Animal Health; State Egg Board.

**Local Agencies Affected:** Local health departments.

**Information Sources:** Gary Haynes, Board of Animal Health, 317-544-2412; Mark Straw, State Egg Board, 765-494-8510.

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.